

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

MINUTES

**MONDAY, APRIL 23, 2012
3:00 P.M.**

**COUNCIL CHAMBERS
LYNWOOD CITY HALL
11330 BULLIS ROAD, LYNWOOD, CA 90262**

1. CALL TO ORDER

The meeting was called to order at 3:15 p.m.

2. CERTIFICATION OF AGENDA POSTING BY CITY CLERK

Ms. Kristina Santana, Deputy City Clerk confirmed that the Agenda was posted correctly.

3. ROLL CALL OF BOARD MEMBERS

Board Members Present

Bruno Naulls

Sarah Magana Withers

Luis Valenzuela

Peter Wong

Dr. Keith Curry (joined the meeting at 3:32 p.m.)

4. PLEDGE OF ALLEGIANCE

Board Member Valenzuela led the Pledge of Allegiance

5. PRESENTATIONS

Board Members Naulls, Valenzuela, Withers, Wong, and Curry provided brief introductions and the following staff members were also introduced:

- Roger Haley, City Manager
- Robert Torrez, Assistant City Manager
- Fred Galante, City Attorney
- Lorry Hempe, Budget & Intergovernmental Relations Manager, City of Lynwood
- Olivia Segura, Deputy Director of Community Development.
- Regina Brooks, Executive Assistant, Community Development.
- Susan Trejo, Administrative Assistant, Community Development.
- Annette Potts, Deputy Director of Administrative Services

PUBLIC ORAL COMMUNICATIONS

(Regarding Agenda Items Only)

There were no public comments.

NEW BUSINESS

6. OVERVIEW OF LEGAL STATUS AND PURPOSE OF OVERSIGHT BOARD

Fred Galante, City Attorney, provided an overview of the legal status and purpose of the oversight board. The following information was presented:

- ABX1 26, passed in June 2011, effectively dissolved all of the redevelopment agencies throughout California and also set forth legal requirements that the successor agencies have to perform during the wind-down process. On February 1, 2012, the Matosantos case adjusted most of the deadlines by about four months.
- ABX1 26 also has very specific parameters on who will serve on the Oversight Board. The LA County has three appointments, there is one appointment for the Chancellor of the Community College, one from the city's unified school district, and lastly there are two appointments from the Mayor.
- Under ABX1 26, the Successor Agency is given the charge to wind down any operations created by the former redevelopment agency. They are supposed to dispose assets in a manner that would maximize value.

On motion of Board Member Wong, seconded by Board member Naulls, unanimously carried, the report was received and filed.

7. ADOPTION OF RULES OF PROCEDURE OF THE OVERSIGHT BOARD

On motion of Board Member Withers, seconded by Board Member Wong, the Board unanimously approved to adopt Robert's Rules of Order as the Board's rules of parliamentary procedure.

8. ELECTION OF OVERSIGHT BOARD CHAIR AND VICE CHAIR AND APPOINTMENT OF A SECRETARY

Lorry Hempe, Budget and Intergovernmental Relations Manager, reported that ABX1 26 requires the Oversight Board to appoint a Chair for the Board and to provide information to the Department of Finance. Therefore, a Chair and a Vice Chair must be appointed as well as a direct contact person for the Department of Finance. The County has already provided a clerk to serve as a secretary to the Board.

Board Member Withers recommended that an alternate secretary be assigned from the City of Lynwood such as the City Clerk. Ms. Rhonda Rangel, County Board of Supervisors, Executive Office, stated that the Board has the option to decide what functions of the County clerk will be needed at meetings.

On Motion of Board Member Withers, seconded by Board Member Dr. Curry, the Board approved to appoint the County Clerk as the main secretary for the Board and the City Clerk or designee as the alternate with the following vote:

Ayes: Board Member Valenzuela, Board Member Withers, Board Member Dr. Curry, Board Member Naulls, Board Member Wong.

Noes: None

Abstentions: None

Nominations were opened from the floor for Chair. Board Member Valenzuela was elected as Chair of the Oversight Board by the following vote:

Ayes: Board Member Valenzuela, Board Member Withers, Board Member Dr. Curry, Board Member Naulls, Board Member Wong.

Noes: None

Abstentions: None

Nominations were opened from the floor for Vice Chair. Board Member Curry was elected as Vice Chair of the Oversight Board by the following vote:

Ayes: Board Member Valenzuela, Board Member Withers, Board Member Dr. Curry, Board Member Naulls, Board Member Wong.

Noes: None

Abstentions: None

9. ADOPTION OF A FIRST RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND SCHEDULING A SPECIAL MEETING PRIOR TO MAY 4, 2012 TO ADOPT A SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Lorry Hempe, Budget and Intergovernmental Relations Manager, provided an overview of the Staff Report "Adoption of a First Recognized Obligation Payment Schedule (ROPS) and Scheduling a Special Meeting Prior to May 4, 2012 to adopt a Second Recognized Obligation Payment Schedule." The ROPS is a schedule of payments and is divided by several six month periods. The timing for the deadlines is off because of the time that his bill spent in the Supreme Court

causing these deadlines to be extended by four months. The ROPS is prepared by the Successor Agency and then approved by the Oversight Board, and finally, submitted to the Department of Finance, the County Auditor-Controller, and the State Controller office for approval. The staff recommends that a special meeting be called on May 4 so that the ROPS for the next six month can be prepared in a timely manner. Fred Galante, City Attorney, also reiterated the importance of adhering to the timelines and answered questions posed by the Board.

Board Member Naulls clarified the definition of the EOPS and the ROPS. He explained that the EOPS are the “master plan” of the Successor Agency and that it shows obligations that are needed to be paid during the wind-down process of the Redevelopment Agencies (RDA’s). The ROPS are the disbursements of the funds that are needed to pay the obligations in the EOPS. Lorry Hempe, City staff, further clarified that the ROPS *does* take over the EOPS. The purpose of the EOPS is a road map of needs to be paid by the ROPS. Eventually the ROPS will take over the EOPS and the EOPS will cease to exist.

Board Member Wong asked for clarification if the items listed in the ROPS were all inherited from the former RDA. Ms. Hempe explained that the items on the ROPS were inherited from the former RDA and that the Successor Agency has not entered into any new agreements. However, the RDA is entitled to receive funds for their administrative budget and that is the reason why the Board will see items based on the staffing of the Successor Agency.

On Motion of Board Member Withers, seconded by Board Member Naulls, the item was approved with the following vote:

Ayes: Chair Valenzuela, Vice Chair Dr. Curry, Board Member Withers, Board Member Naulls, Board Member Wong.

Noes: None

Abstentions: Board Member Withers for Line Item 49 and Board Member Naulls for all line items representing staffing costs.

10. APPROVAL OF THE ADMINISTRATIVE BUDGET FOR FY 2011-12

Lorry Hempe, City Staff, provided information regarding the ABX1 26 and administrative costs. It is the Successor Agency’s responsibility to create and present an administrative budget and that there is a minimum of \$250,000 in addition to the 5% tax increment that the County Auditor will be providing.

Board Member Wong asked for clarification regarding the costs of the Oversight Board as to whether or not they are included in the budget since the items are dated June 2011 through December 2011. Ms. Hempe explained that although though the Oversight Board was just formed, former RDA staff and City staff have been performing Administrative services since the passing of ABX1 26 in June 2011.

Chair Valenzuela asked for clarification regarding the Administrative Budget amount of \$352, 744 as to whether or not it was the amount allotted by ABX 1 26. Ms. Hempe clarified that the amount is the allotted 5%. She added that that the actual costs for administrative services is closer to \$500,000 and , due to this administrative cap, the City will have to find a way to fund the gap.

On Motion of Board Member Wong, seconded by Board Member Withers the item was approved with the following vote:

Ayes: Chair Valenzuela, Vice Chair Dr. Curry, Board Member Withers, Board Member Naulls, Board Member Wong.

Noes: None

Abstentions: Board Member Withers for items related to Line Item 49 of the 1st ROPS and Board Member Naulls for all line items representing staffing costs.

11. DESIGNATING OF CONTACT PERSON FOR DEPARTMENT OF FINANCE INQUIRIES

Lorry Hempe, City Staff, introduced Roger Haley, City Manger and Robert Torrez, Assistant City Manager and recommended that the Oversight Board designate the Lynwood City Manager as the official who shall serve as the contact person to respond to the State Department of Finance inquiries regarding Oversight Board actions.

On Motion of Board member Withers, seconded by Board Member Naulls the item was approved with the following vote:

Ayes: Chair Valenzuela, Vice Chair Dr. Curry, Board Member Withers, Board Member Naulls, Board Member Wong.

Noes: None

12. ESTABLISHING THE DATE, TIME, AND LOCATION FOR REGULAR MEETINGS OF THE OVERSIGHT BOARD

Lorry Hempe, City Staff, recommended that the meetings be set for the first and third Tuesday of the month and reminded the Board that the second meeting will only be necessary during the first few months.

Vice Chair Curry requested that meeting notifications be sent out three to four weeks in advance if the meeting scheduled will or will not take place.

On motion of Board Member Withers, Seconded by Vice Chair Curry, the Board approved to schedule a Special Meeting on May 2, 2012 and reserved the first and third Tuesday of August to approve the second half of the Fiscal Year 2012-2013 ROPS and reserved the first and third of each month as needed, with the following vote:

Ayes: Chair Valenzuela, Vice Chair Dr. Curry, Board Member Withers, Board Member Naulls, Board Member Wong.

Noes: None

13. ADOPTION OF RESOLUTION ADOPTING A CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD

Fred Galante, City Attorney, provided a brief explanation regarding the need for a conflict of interest code. Each Board member and the secretary of the Board would need to file a 700 form to disclose if they have any financial interest in the jurisdiction of this Oversight Board.

On Motion of Board Member Wong, seconded by Board Member Withers, the item was approved with the following vote:

Ayes: Chair Valenzuela, Vice Chair Dr. Curry, Board Member Withers, Board Member Naulls, Board Member Wong.

Noes: None

OVERSIGHT BOARD ITEMS

The Staff reassures the Board that the staff of the City of Lynwood is very organized and that if they have any questions regarding the Oversight Board duties or the ROPS, they are free to email the staff at any time.

Chair Valenzuela requested the information from ABX1 26 that indemnifies each Board member of their actions in the Oversight Board to be shared with each member.

The staff reminded the Board that even if the City Attorney assists with the process of gathering information for the Board, he will not represent them legally because the Oversight Board is a separate entity altogether.

Board Member Withers added that the Oversight Board does not have a final say since everything they approve will be under the review of the State Department of Finance.

ADJOURNMENT

On motion Board Member Wong, seconded by Board Member Withers, the meeting adjourned at 4:29 p.m.

NEXT MEETING

A Special Meeting to approve the 2nd ROPS is scheduled for May 2, 2012 at 3:00 p.m. at Lynwood City Hall, Council Chambers, 11330 Bullis Road, City of Lynwood, California.